

MARKET ANALYSIS - August 22, 2002

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We saw quite a sell off this week due to improved weather conditions. In the corn market the bad news is that while prices have begun to head south due to improved weather, the weather can't do much to help yields at this stage of the game – so we get a double whammy there. Traders have to realize at some point that moisture can't help supply and they will hopefully recall last week's bullish (price wise) report. This should put a solid price floor in place. In addition to the weather, the price drop in the futures pit was exacerbated by some profit taking. However, on a positive note, local basis (pretty much across the whole state) has seen a huge jump, with some parts of the state seeing a jump of over 20 cents in one week. This is roughly equal to the change in futures over the week, so basically nothing changes here price wise. Bottom line – lock in! Corn export sales looked good by the end of the week, with combined old and new crop business totaling about 855,000 metric tons – towards the top of guesses. Soybean futures also took a dive due to improved weather and a disappointing crush number. The July NOPA crush number came in at 125.9 million bushels – about 5 million less than June. The crop report on Monday raised crop ratings and therefore much of the gain in the soybean pit last week was given back. However bullish traders are expecting yield uncertainties to buoy the trade after this sell off is complete. Soybean futures had a stable end of week with decent sales numbers coming in at 650,000 metric tons – about double guesses. Just like in the corn market, we are lucky to see a big bounce in local bean basis. Wheat trade was quite independent of the corn and soybean markets all week with most trade being mixed. A lack of news has allowed the technical analysts to keep futures under pressure, so until some big fundamental news comes in, expect mixed trading. Wheat export numbers were short of trade guesses by the end of the week, totaling just 182,000 metric tons. This motivated price declines, combined with high U.S. prices in comparison to the rest of the world's exporters and a strengthening dollar.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep02)	NEW (Dec02)	CASH (Sep02)	NEW(Nov02)	CASH(Sep02)	NEW(Jul03)
Baltimore	n/a	n/a	+\$ .04	-\$ .20	n/a	n/a
Western MD	+\$ .28	n/a	-\$ .19	n/a	-\$ .26	n/a
Central MD	+\$ .37	+\$ .10	-\$ .09	-\$ .25	-\$ .11	-\$ .23
Southern MD	+\$ .21	+\$ .08	-\$ .24	-\$ .13	-\$ .22	-\$ .28
Upper E. Sh	+\$ .28	+\$ .16	-\$ .04	-\$ .13	-\$ .21	-\$ .23
Lower E. Sh	+\$ .43	+\$ .26	+\$ .13	-\$ .03	-\$ .19	-\$ .22

WEEEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTIURAL STATISTICS

The persistent hot, dry weather is causing corn and soybeans to mature well ahead of the five year average. **Corn** is 51 percent at or past the **denting** stage, 19 percent ahead of last year, and 24 percent ahead of schedule. Sixteen percent is **mature**, 3 percent ahead of last year, and 4 percent ahead of the five year average. Some fields in very poor condition are being bush-hogged and fed to livestock. **Soybean** yields will suffer great losses if significant rain does not arrive soon. Sixty-two percent of the crop is **setting pods**, 20 percent ahead of last year, and 5 percent ahead of the average. Ten percent has started to **change color**. Soil moisture continues to dry up with **topsoil** moisture rated 5 percent adequate, 33 percent short, and 62 percent very short. **Subsoil** is rated 6 percent in adequate supply, 26 percent short, and 68 percent very short.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	08/14	08/21	0 8/14	08/21	08/14	08/21	08/14	08/21
Baltimore	----	----	5.80	5.49	----	----	----	----
Western Md	2.80	2.78	5.64	5.26	3.15	3.08	1.45	1.45
Central MD	2.89	2.87	5.61	5.36	3.42	3.23	1.45	1.50
Southern MD	2.83	2.71	5.97	5.21	3.31	3.12	1.15	1.15
Upper E. Sh	2.91	2.78	5.95	5.41	3.34	3.13	1.30	1.25
Lower E. Sh	3.06	2.93	5.93	5.58	3.22	3.15	1.30	1.33
Soybean Meal		Lower Eastern Shore		Dealer's Average Cash Quotes (\$/ton)				
Date	08/14	08/21	Date		08/14	08/21		
48% Soybean Meal	226.00	213.00	44% Soybean Meal		214.00	201.00		

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quotes

Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	08/14	08/21	08/14	08/21	08/14	08/21	08/14	08/21
Baltimore	----	----	5.42	5.14	----	----	----	---
Western Md	----	----	----	----	----	----	----	----
Central MD	2.95	2.80	5.42	5.09	3.20	3.11	----	----
Southern MD	2.85	2.78	5.47	5.21	3.15	3.06	----	----
Upper E Shore	2.95	2.86	5.50	5.21	3.20	3.11	----	----
Lower E Shore	3.07	2.96	5.62	5.31	3.21	3.12	----	----

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) - Aug 21, 2002

Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>	
Sep	240.00	Sep	520.00	Sep	320.00	Sep	170.00
Oct	250.00	Oct	540.00	Oct	330.00	Oct	150.00
Dec	260.00	Nov	560.00	Dec	340.00	Dec	180.00
Sep	270.00	Sep	580.00	Sep	350.00	Sep	185.00
Oct	280.00	Oct	600.00	Oct	360.00	Oct	190.00
Dec	290.00	Nov	620.00	Dec	370.00	Dec	195.00

<sup>1</sup> \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - Aug 19 2002 - \$/ton -65 Loads							
Alfalfa 132.00-235.00	Timothy 80.00-200.00	Mixed 120.00-215.00	Straw 70.00-135.00	Orchardgrass 70.00-160.00	Ear Corn 110.00-125.00		
Westminster, MD - \$/bale -Aug 21, 2002 - 146 lots							
Alfalfa 2.10-5.10	Alfalfa-Lrg Rd 19.00-24.00	Timothy 1.80-4.50	Timothy-Lrg Rd 18.00-20.00	Mixed 2.00-4.20	Straw 1.00-2.00	Grass 1.65-3.60	Grass-Lrg Rd 16.00-24.00
POULTRY (Grade A) - Week Ending Aug 24, 2002 Negotiated Price, cents/lbs							
	Current Week	Week Ago	Month Ago	Year Ago			
NY Wtd Avg. (Fryers)	47.42	47.30	51.17	55.04			
12-City Composite	55.55	55.51	57.56	59.85			
LAMBS - Westminster, MD - \$/cwt - Aug 20, 2002							
Ch	100-125 lbs	70.00-77.00	Medium-Ch	60-110 lbs	60.00-75.00	Sheep 20 Hd	15.00-31.00
	70- 95 lbs	70.00-82.00					
	40- 65 lbs	85.00-90.00					
TERMINAL MARKET HOGS-Aug 22, 2002				DIRECT MARKET HOGS - Westminster, MD - Aug 20, 2002			
Base Price Range (\$/cwt)	Carcass Basis	Sows (1-3)	1&2 220-280 lbs 26.00-27.00 2&3 240-300 lbs 22.00-25.00 300-400 lbs 10.00-24.00				
a.m.	Base 185 lb Hog	300-449 lbs					
Eastern Cornbelt	38.67-44.72	n/a					
Iowa, Minn	39.75-45.39	n/a	Millsboro, DE Market Hogs - \$/cwt - \$25.00				
FEEDER PIGS - (\$/cwt)							
Gumboro, DE - August 19, 2002				New Holland, PA - Aug 21, 2002			
Head: 362		Trend: None		Head: 326.		Trend: Steady in light test - 89% sold for slaughter	
under 30 lbs	38.00-80.00	50-59 lbs	29.00-45.00	40-41 lbs		24.00-40.00	
30-39 lbs	34.00-80.00	60-69 lbs	27.00-37.00				
40-49 lbs	34.00-46.00	70-79 lbs	34.00-38.00				
LIVE CATTLE FUTURES - Chicago Mercantile Exchange- (\$ cwt.) - Aug 21, 2002				HOG FUTURES - Chicago Mercantile Exchange - (\$ cwt.) - Aug 21, 2002			
Sep	65.00	Sep	68.00	Oct	33.00	Oct	36.00
Oct	66.00	Oct	69.00	Dec	34.00	Dec	37.00
Dec	67.00	Dec	70.00	Feb	35.00	Feb03	38.00
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Aug 19, 2002				Westminster, MD - Aug 20, 2002			
Steers	300-400 lbs	84.25-94.50			300-500 lbs	67.00-	73.00
	400-500 lbs	76.75-94.00			500-700 lbs	60.00-	72.00
	500- 600 lbs	82.00-90.75			700-900 lbs	56.00-	62.00
	600-700 lbs	66.00-81.25			Hols	400-800 lbs	43.00- 49.00
	700-800 lbs	71.00-73.50			Heifers	200-500 lbs	60.00- 73.00
	300-400 lbs	81.00-87.00				500-700 lbs	60.00- 72.00
	400-500 lbs	73.00-76.00				700-900 lbs	49.00- 57.00
	500-600 lbs	70.00-74.75			Hols Bulls #1	95-115 lbs	105.00-126.00
Heifers	600-700 lbs	66.25-70.00			#2	90-120 lbs	70.00-100.00
					Hols Heifers #2	80-120 lbs	260.00-375.00
						70- 80 lbs	85.00-135.00
					Beef X Bulls & Heifers	90-120 lbs	85.00-125.00
Lancaster, New Holland & Vintage - Week Ending - Aug 24, 2002							
Bull, Holstein	90-120 lbs	80.00-124.00	Plainer	95-125 lbs	70.00-125.00		
Heifers, Hols.	90-115 lbs	410.00-590.00	Plainer	80-105 lbs	150.00-490.00		
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Aug 21, 2002							
Fed Steers				Fed Heifers			
H-Ch 2-4	1200-1400 lbs	64.50-67.50	H-Ch	900-1300 lbs	61.00-64.00		
Ch 2-3	1100-1400 lbs	63.00-65.00	L-Ch		55.00-60.00		
Cows				Veal Calves			
Breakers		38.00-45.00	Good Slaughter	80- 115 lbs	34.00-44.00		
Boners		36.00-41.00	Thin & Rough		24.00-34.00		
Lean		31.00-36.00					
Thin		31.00-DOWN					
Lancaster, New Holland & Vintage - Week Ending - Aug 24, 2002							
Steers, Choice 2-3		1075-1470 lbs	64.00-66.75	Steady to \$1 higher			
Heifers, Choice		1075-1345 lbs	63.00-65.75	Not well tested			
Cows, Breakers 75-80 pct lean			41.00-46.50	Mostly steady			
Bulls, YG-1, few		1350-2045 lbs	51.50-57.00	Mostly steady			
Vealer, Standard & Good		70- 140 lbs	30.00-50.00	Steady to \$5 lower			

For more information about this report, call 410-841-5740 or write:

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